

KRS Managers Fees
as of September 31, 2014

Asset Class	Manager Name	Sub asset class	Passive/Active ^{1,2}	Management fee	Performance Fees ³	High Water Mark ⁴	Preferred return ⁵	Hurdle rate ⁶	Pension Assets Under Management	Insurance Assets Under Management
Fixed Income	NISA	Core Fixed income	Enhanced Passive	0.17%					\$ 543,317,574.01	\$ 210,536,512.17
	Manulife	Global Fixed Income	Active	0.35%					\$ 116,227,441.61	\$ 47,450,424.85
	PIMCO	Global Fixed Income	Active	0.31%					\$ 782,628,109.48	\$ 310,789,560.76
	Stone Harbor	Global-EMD	Active	0.60%					\$ 114,315,800.80	\$ 45,929,561.69
	Cerberus	High Yield Fixed Income	Active	1.00%	15%		6%		\$ 41,930,000.00	\$ 17,970,000.00
	Columbia	High Yield Fixed Income	Active	0.50%					\$ 155,591,976.48	\$ 50,365,853.76
	Loomis	High Yield Fixed Income	Active	0.50%					\$ 152,762,284.39	\$ 50,749,543.46
	Shenkman	High Yield Fixed Income	Active	0.50%					\$ 114,970,557.24	\$ 39,598,009.60
	Waterfall	High Yield Fixed Income	Active	0.55%	20%	Yes		8%	\$ 121,738,087.91	\$ 41,870,721.13
Equity	Westfield Capital Management	All Cap Growth	Active	0.75%					\$ 122,704,391.64	\$ 47,168,170.15
	River Road Asset Management	All Cap Value	Active	0.85%					\$ 32,315,730.17	\$ 11,707,129.32
	Westwood Holdings Group	All Cap Value	Active	0.85%					\$ 104,898,751.78	\$ 38,977,522.39
	Invesco	Large Cap Core	Active	0.55%					\$ 226,566,594.61	
	Sasco Capital	Mid Cap Value	Active	0.80%					\$ 49,708,581.04	\$ 18,817,663.88
	Systematic Financial Mgmt	Mid Cap Value	Active	0.75%					\$ 198,304,924.80	\$ 76,591,126.00
	Northern Trust (NTGI), Structured	Small Cap	Enhanced Passive	0.45%					\$ 215,306,665.07	\$ 103,599,310.90
Non-UST	BLACKROCK ACWI EX-US	Developed/EM Core	Passive	0.12%					\$ 925,327,007.96	\$ 327,843,506.50
	BLACKROCK ACWI EX-US SM CAP	Developed/EM Core Small Cap	Passive	0.22%						\$ 55,407,905.86
	NTGI INTL SM CAP	Developed/EM Core Small Cap	Passive	0.25%					\$ 159,595,429.65	
	American Century	Developed/EM Growth	Active	0.75%					\$ 142,710,125.86	\$ 49,276,376.98
	Franklin Templeton	Developed/EM Growth	Active	0.70%					\$ 138,745,656.68	\$ 48,039,549.62
	Pyramis Global Advisors, Non-US Growth	Developed/EM Growth	Active	0.80%					\$ 283,638,305.83	\$ 100,189,162.13
	Boston Company Asset Mgmt, Non-US Value	Developed/EM Value	Active	0.85%					\$ 137,644,230.00	\$ 51,594,142.03
	Lazard Asset Management	Developed/EM Value	Active	0.85%					\$ 281,634,879.55	\$ 97,008,895.72
	LSV Asset Management	Developed/EM Value	Active	1.00%					\$ 140,177,904.82	\$ 48,047,184.61
	BLACKROCK ACWI EME	EM Core	Passive	0.20%					\$ 129,512,547.99	\$ 57,712,684.92
	Wellington Mgmt Co (Commingled Fund)	EM Growth	Active	1.00%					\$ 124,697,682.92	\$ 48,642,956.25
Alternative	Aberdeen Asset Mgmt (Commingled Fund)	EM Value	Active	1.00%					\$ 118,878,910.32	\$ 49,831,797.06
	Knighthead	Distressed Credit	Active	2.00%	20%	Yes			\$ 15,967,811.00	\$ 5,322,604.00
	Scopia PX LLC	Equity Market Neutral	Active	1.50%	20%	Yes		Floating	\$ 15,000,000.00	\$ 5,000,000.00
	JANA Partners	Event Investing	Active	2.00%	20%	Yes Modified			\$ 15,276,535.00	\$ 5,092,178.00
	Luxor	Event Investing	Active	2.00%	20%	Yes			\$ 14,803,855.00	\$ 4,934,619.00
	BAAM Henry Clay	Fund of Funds	Active	1.00%	10%	Yes			\$ 380,800,190.00	\$ 132,337,670.00
	PAAMCO	Fund of Funds	Active	1.00%	10%	Yes			\$ 381,930,716.00	\$ 126,935,133.00
	Prisma	Fund of Funds	Active	1.00%	10%	Yes			\$ 364,056,017.78	\$ 127,707,948.56
	MKP	Macro	Active	1.50%	20%	Yes			\$ 14,572,910.09	\$ 4,857,636.62
	HBK	Multi Strategy	Active	1.50%	20%	Yes			\$ 15,810,898.00	\$ 5,270,299.00
	Pine River	Relative Value	Active	1.50%	20%	Yes			\$ 15,068,813.67	\$ 5,022,937.90
	Libremax Capital	Structured Credit	Active	2.00%	20%	Yes			\$ 15,299,225.00	\$ 5,009,742.00

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R e t a i r n	AMERRA	Agriculture Lending	Active	1.75%	20%		6%		\$ 33,661,336.09	\$ 13,575,661.06
	Oberland Capital	Drug Royalties	Active	2.00%	20%		8%			
	Magnetar	Energy	Active	2.00%	20%	Yes		libor+3%	\$ 85,230,336.00	\$ 26,321,140.00
	Tenaska Capital, TPF II	Energy	Active	2.00%	20%		8%		\$ 14,863,258.00	\$ 1,651,472.00
	PIMCO All Asset	GTAA	Active	0.88%	0%				\$ 365,945,756.69	\$ 116,542,922.65
	Tortoise	MLP	Active	1.00%	0%				\$ 101,095,934.82	\$ 30,505,467.66
	Weaver Barksdale	TIPS	Passive	0.10%	0%				\$ 277,776,796.43	
R e a l E s t a t e	H/2 Core Debt	Core	Active	0.75%	5%				\$ 21,209,558.38	\$ 8,946,211.84
	Harrison St. Core Equity	Core	Active	1.00%					\$ 100,172,884.00	\$ 35,234,959.00
	Mesa West Core Debt	Core	Active	1.00%					\$ 55,628,214.00	\$ 25,916,212.00
	Prima (PMIT)	Core	Active	0.40%					\$ 57,006,331.54	\$ 35,192,937.01
	Prologis	Core	Active	1.00%						
	Stockbridge Smart Markets	Core	Active	0.95%					\$ 38,472,489.28	\$ 14,617,341.29
	DivcoWest IV	Opportunistic	Active	1.50%	20%				\$ 7,287,787.90	\$ 3,223,443.15
	L-A VII	Opportunistic	Active	1.50%	20%				\$ 2,780,000.00	\$ 1,220,000.00
	Walton VI	Opportunistic	Active	1.50%	20%				\$ 33,144,220.30	\$ 3,682,690.92
	Walton VII	Opportunistic	Active	1.50%	20%				\$ 15,125,170.06	\$ 6,648,012.36
	GAP VI	Value Added	Active	1.50%	20%				\$ 41,062,512.00	\$ 18,048,296.00
	GAP VII	Value Added	Active	1.50%	20%				\$ 6,075,596.00	\$ 2,666,269.00
	H/2 Credit Partners	Value Added	Active	1.50%	15%				\$ 97,783,622.78	\$ 27,827,351.09
	Mesa Income II	Value Added	Active	1.50%	20%				\$ 19,237,993.00	\$ 2,137,552.00
	Rubenstein II	Value Added	Active	1.50%	20%					\$ 2,611,432.50
P r i v a t e	Arbor Investments	Buyout	Active	2.00%	20%		8%		\$ 17,512,704.00	\$ 1,945,856.00
	Arcano Capital	Buyout	Active	0.60%	5%		8%		\$ 18,986,605.00	\$ 2,109,623.00
	Bay Hills Capital I, L.P.	Buyout	Active	0.75%	8%		12%		\$ 50,275,604.64	\$ 5,586,179.85
	Bay Hills Capital II, L.P.	Buyout	Active	0.75%	8%		12%		\$ 58,788,367.54	\$ 6,532,040.51
	Bay Hills Capital III, L.P.	Buyout	Active	0.75%	8%		12%		\$ 3,518,669.00	\$ 981,766.00
	Blackstone Capital Partners V, L.P.	Buyout	Active	0.75%	20%		8%		\$ 41,896,213.36	\$ 11,025,049.31
	Blackstone Capital Partners VI, L.P.	Buyout	Active	0.75%	20%		8%		\$ 37,230,313.75	\$ 24,820,208.79
	Crestview Partners	Buyout	Active	1.50%	20%		7%		\$ 64,984,033.00	\$ 7,220,450.00
	CVC European Equity Partners VI, L.P.	Buyout	Active	1.50%	20%		8%		\$ 1,934,014.72	\$ 1,021,927.59
	Green Equity Investors IV, L.P.	Buyout	Active	1.00%	20%		8%		\$ 36,278,061.00	\$ 4,030,896.00
	Green Equity Investors V, L.P.	Buyout	Active	1.50%	20%		8%		\$ 79,085,822.00	\$ 8,787,314.00
	Green Equity Investors VI, L.P.	Buyout	Active	1.50%	20%		8%		\$ 15,043,665.42	\$ 13,163,207.41
	GTCR	Buyout	Active	1.50%	20%				\$ 48,982,165.00	\$ 5,442,466.00
	H.I.G. Capital Partner V, L.P.	Buyout	Active	2.00%	25%		8%		\$ 838,069.64	\$ 441,425.53
	Harvest Partners V, L.P.	Buyout	Active	0.50%	20%		8%		\$ 22,764,948.00	\$ 2,529,440.00
	Harvest Partners VI, L.P.	Buyout	Active	0.67%	20%		8%		\$ 15,153,017.00	\$ 6,189,262.00
	Hellman & Friedman Capital Ptnrs	Buyout	Active	0.75%	20%				\$ 7,300,070.00	\$ 2,737,534.00
	JW Childs Associates	Buyout	Active	1.00%	20%		9%		\$ 72,346.00	\$ 8,038.00
	Keyhaven Capital Partners	Buyout	Active	0.90%	10%		8%		\$ 9,611,826.95	\$ 1,067,981.62
	Levine Leichtman Capital Partners V, L.P.	Buyout	Active	1.50%	20%		8%		\$ 11,983,346.63	\$ 6,252,182.64
	Mill Road Capital Management	Buyout	Active	2.00%	20%		8%		\$ 27,450,740.00	\$ 3,050,081.00
	New Mountain Partners II, L.P.	Buyout	Active	2.00%	20%		8%		\$ 3,450,157.00	\$ 690,032.00
	New Mountain Partners III, L.P.	Buyout	Active	1.75%	20%		8%		\$ 32,311,631.00	\$ 7,180,354.00
	Oak Hill Capital Partners II, L.P.	Buyout	Active	1.25%	20%		8%		\$ 14,952,296.65	\$ 1,661,363.83
	Oak Hill Capital Partners III, L.P.	Buyout	Active	1.75%	20%		8%		\$ 27,647,682.38	\$ 10,239,880.56
	Riverside Company	Buyout	Active	2.00%	20%		8%		\$ 4,386,413.00	\$ 2,312,136.00
	Sun Capital Partners	Buyout	Active	2.00%	25%		10%			\$ 1,272,053.00
	Triton Advisors	Buyout	Active	1.70%	20%		8%		\$ 7,787,101.14	\$ 4,104,750.36
	Vista Equity Partners III, L.P.	Buyout	Active	2.00%	20%		8%		\$ 26,481,982.00	\$ 2,942,442.00
	Vista Equity Partners IV, L.P.	Buyout	Active	1.50%	20%		8%		\$ 25,899,549.00	\$ 22,062,579.00

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Equity	Warburg Pincus Private Equity IX, L.P.	Buyout	Active	1.50%	20%				\$ 20,904,998.00	\$ 4,181,000.00
	Warburg Pincus Private Equity X, L.P.	Buyout	Active	1.50%	20%				\$ 34,613,409.59	\$ 6,699,378.21
	Avenue Capital Group	Debt Related	Active	0.00%	20%		8%			\$ 25,049.00
	Matlin Patterson Global Advisors II, L.P.	Debt Related	Active	0%	20%		8%		\$ 1,425,717.00	\$ 158,416.00
	Matlin Patterson Global Advisors III, L.P.	Debt Related	Active	1.30%	20%		8%		\$ 33,077,607.00	\$ 3,675,358.00
	Matlin Patterson Global Advisors, L.P.	Debt Related	Active	1.25%	20%		8%		\$ 22,815.00	\$ 2,536.00
	Merit Capital Partners, Mezzanine Fund IV, L.P	Debt Related	Active	1.75%	20%		8%		\$ 10,209,636.97	\$ 1,134,404.12
	MHR Fund Management	Debt Related	Active	1.75%	20%		8%			\$ 3,071,436.00
	OCM Opportunities Fund VII(b), L.P.	Debt Related	Active	1.50%	20%		8%			\$ 1,642,472.00
	Wayzata Investment Partners II, L.P.	Debt Related	Active	1.50%	20%		8%		\$ 30,429,936.00	\$ 3,381,103.00
	Wayzata Investment Partners III, L.P.	Debt Related	Active	1.50%	20%		8%		\$ 3,428,326.00	\$ 1,807,115.00
	Wayzata Investment Partners, L.P.	Debt Related	Active	1.50%	20%		8%		\$ 23,355,671.00	\$ 2,595,199.00
	CM Growth Partners I	Venture Capital	Active	1.50%	20%				\$ 12,951,163.50	\$ 1,439,018.50
	Columbia Capital Equity Partners IV	Venture Capital	Active	0.85%	20%		8%		\$ 30,071,817.86	\$ 3,341,313.21
	DAG Ventures II, L.P.	Venture Capital	Active	2.50%	20%				\$ 21,192,317.20	\$ 2,354,691.02
	DAG Ventures III, L.P.	Venture Capital	Active	1.00%	20%				\$ 15,770,497.41	\$ 1,752,265.49
	DAG Ventures IV, L.P.	Venture Capital	Active	1.00%	20%		8%		\$ 105,080,361.46	\$ 11,675,595.70
	DAG Ventures V, L.P.	Venture Capital	Active	1.00%	20%		8%		\$ 12,085,474.35	\$ 10,574,790.07
	DCM Partners	Venture Capital	Active	2.50%	25%				\$ 12,847,631.00	\$ 1,427,515.00
	Essex Woodlands	Venture Capital	Active	2.00%	20%				\$ 19,763,425.00	\$ 4,391,872.00
Venture Capital	H.I.G. BioVentures II, L.P.	Venture Capital	Active	2.00%	20%		8%		\$ 2,383,499.37	\$ 2,030,388.98
	H.I.G. Ventures II, L.P.	Venture Capital	Active	2.25%	20%		8%		\$ 12,662,498.00	\$ 1,406,945.00
	Horsley Bridge Partners	Venture Capital	Active	0.5%-1.0%	Pro rata LP/GP				\$ 24,859,266.00	\$ 2,762,140.00
	Institutional Venture Partners XI, L.P.	Venture Capital	Active	2.00%	20%/25%					\$ 218,004.00
	Institutional Venture Partners XII, L.P.	Venture Capital	Active	2.00%	20%/25%				\$ 16,618,817.00	\$ 1,846,481.00
	Technology Crossover Ventures, TCV VI	Venture Capital	Active	1.82%	25%					\$ 673,933.74
	Vantagepoint Venture Capital Partners 2006, L.P.	Venture Capital	Active	2.00%	25%				\$ 15,297,553.00	\$ 1,699,729.00
	Vantagepoint Venture Capital Partners IV,	Venture Capital	Active	2.00%	25%				\$ 8,936,242.70	\$ 992,921.40

Notes

*The fee rates shown are in most cases what KRS pays each particular external investment manager; however, there are instances where KRS has negotiated a lower fee than is normally offered to other clients and the external investment manager has asked KRS to not make that information public. In those cases, KRS is showing the most visible rate that the external investment manager charges its clients. In no circumstances is KRS paying an external investment manager a rate higher than what is shown on this list.

**Some managers offer tiered fee schedules and in those instances the rate shown is the most expensive tier. When a tiered schedule is offered, the average fee rate paid is lower than what is shown above and the more assets an investment manager manages for KRS the lower the average fee rate due to the tiered fee affect.

1. Passive - An investment strategy that should perform directly inline with the performance of the benchmark index often times fully replicating the investment holdings of the benchmark index.

2. Active - An investment strategy that attempts to out-perform the benchmark index by trying to identify securities that will rise in value faster than the overall benchmark index or a strategy that matches the index performance while exposing the portfolio to less risk than the benchmark.

3. Performance fees - These fees are a share of the investment gains with an investment manager. Performance fees are used to align the interest of the investor and the investment manager.

4. High Water Mark - A legal term that governs the charging of performance fees. The net asset value (high water mark) that must be exceeded in order for a performance fee to be accrued and collected.

5. Preferred return - The return over the course of the fund life that a limited partner must receive prior to the general partner collecting a performance fee or carried interest.

6. Hurdle Rate - The minimum annual return that must be exceeded before the performance fee can be accrued and collected.